

## Strong US data boosts sentiment

The recent pessimistic tone on markets amid concerns over a 'second wave' to Covid-19 gave way yesterday to a wave of optimism. This was in part due to newsflow regarding central bank supports to help deal with the crisis.

Investor sentiment was also boosted yesterday by macro news from the US economy. The retail sales report for May showed the headline number increasing by 17.7% last month, well ahead of expectations for a 8% monthly growth rate. The underlying details of the report were also strong. There was also a very strong rebound in a leading indicator of housebuilding activity for June.

The 'risk-on' tone was evident in the performance of equity markets on both sides of the Atlantic. In Europe, the Euro Stoxx 50 gained around 3% on the day. Meanwhile at the closing bell on Wall Street last night, the S&P 500 was up 1.9%.

On the currency front, the magnitude of moves was much more muted. Of the limited action to register, the dollar has been generally holding a somewhat firmer tone.

This is reflected in EUR/USD opening this morning in the upper half of the 1.12-1.13 band after having started yesterday above \$1.13. At the same, GBP/USD is back below the \$1.26 mark. Meanwhile, EUR/GBP is changing hands around the midpoint of 89-90p.

Ahead today, the macro diary is sparse. Indeed, the only data release of note is US housing starts for May. As a result, the main FX pairs could spend today trading in relatively tight ranges near to their current levels.

**John Fahey, Senior Economist, AIB**

### Today's Opening FX Rates

		% Change	
		Day *	End 2019
EUR/USD	1.128	-0.46	0.62
EUR/GBP	0.8966	0.20	6.06
GBP/USD	1.2579	-0.65	-5.13
GBP/EUR	1.1149	-0.20	-5.71
USD/JPY	107.27	-0.20	-1.23
EUR/JPY	121.02	-0.63	-0.66

\* v Previous Day's European Open

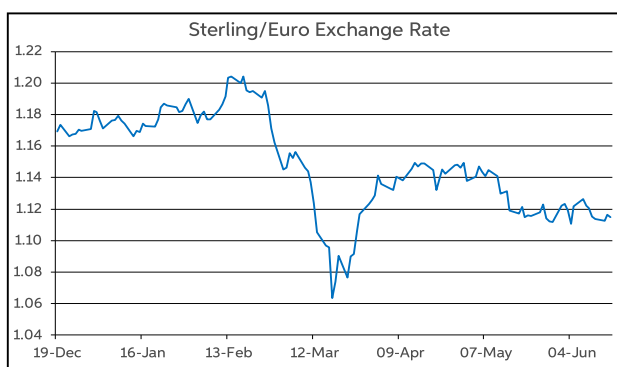
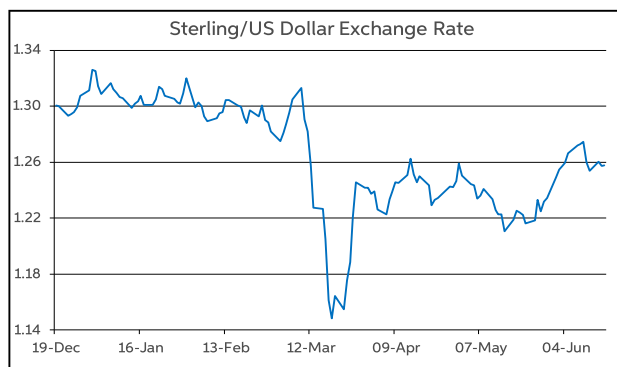
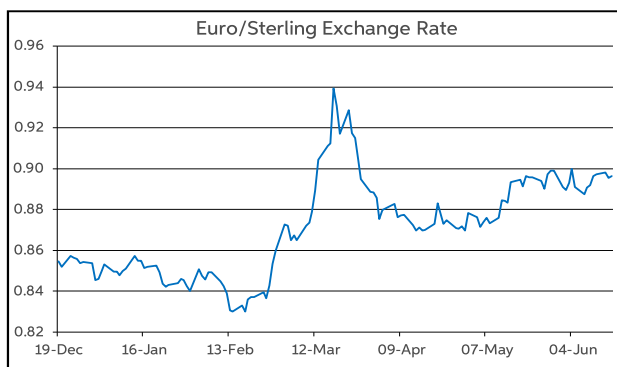
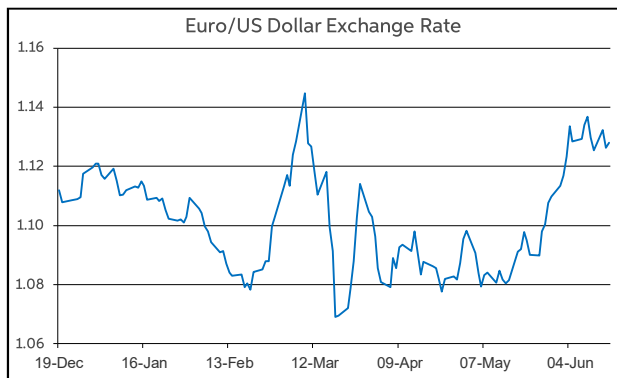
See Next Page for More Rates

### Opening Interest Rates

	Base Rate	Money Market		Swap Rates		
		1-Mth	3-Mth	1-Yr	2-Yr	5-Yr
USD	0.125	0.19	0.31	0.29	0.26	0.39
EUR	0.00	-0.48	-0.36	-0.28	-0.31	-0.29
GBP	0.10	0.09	0.20	0.26	0.24	0.30

All rates quoted are indicative market rates

See Next Page For More Rates & Charts



FX Spot

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Enda Homan

FX Options

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Reuters  
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Morning Comment

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# Opening Levels

Wednesday 17 June 2020  
07:27 am



## Euro

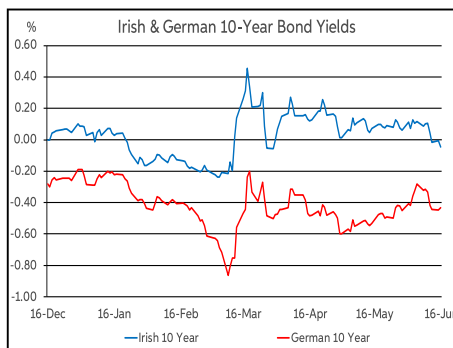
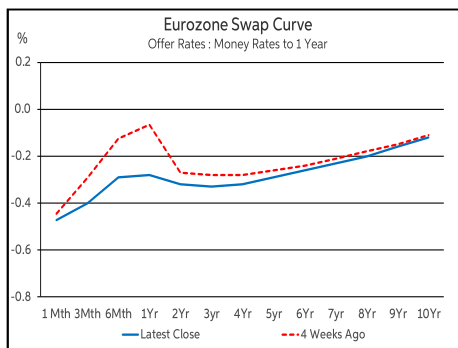
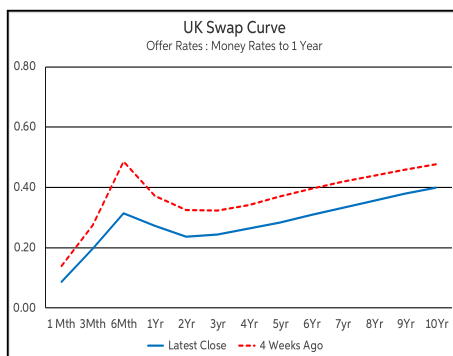
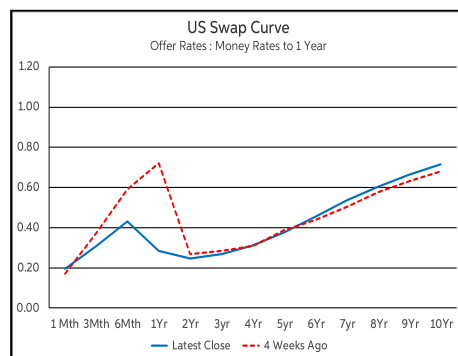
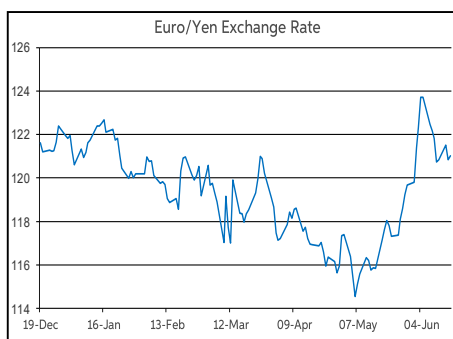
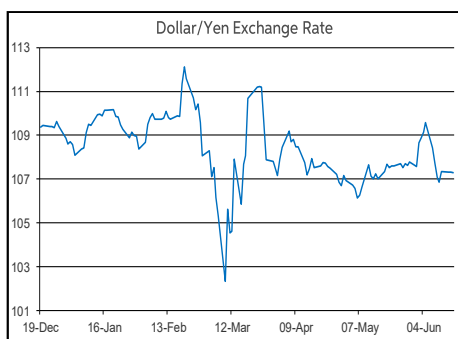
EUR/GBP	0.8966
EUR/USD	1.128
EUR/JPY	121.02
EUR/SEK	10.5429
EUR/DKK	7.4559
EUR/NOK	10.7568
EUR/CHF	1.0714
EUR/AUD	1.6326
EUR/HKD	8.7418
EUR/CAD	1.525

## Sterling

GBP/EUR	1.1149
GBP/USD	1.2579
GBP/CAD	1.6999
GBP/NZD	1.944
GBP/JPY	134.93
GBP/SEK	11.755
GBP/DKK	8.3125
GBP/NOK	11.9914
GBP/CHF	1.1947
GBP/AUD	1.8201

## Dollar

USD/JPY	107.27
USD/CAD	1.3517
USD/CHF	0.9501
USD/CNY	7.0845
USD/BRL	5.244
USD/RUB	69.4353
USD/INR	76.16
AUD/USD	0.6909
NZD/USD	0.6468



Debt Markets				
	Close	Change bps		
		Day	4 Weeks	End 19
10 Year Yield %				
US	0.74	+2	+5	-118
Germany	-0.43	+2	+4	-24
UK	0.21	-0	-4	-62
Ireland	0.00	-2	-14	-12
Belgium	-0.06	-1	-11	-16
France	-0.05	-0	-3	-17
Italy	1.36	-4	-29	-6
Spain	0.54	-3	-18	+7
Portugal	0.55	-1	-24	+10
Greece	1.15	-6	-72	-31
5 Year Swap %				
US	0.38	-1	+2	-133
Eurozone	-0.29	+1	-2	-17
UK	0.28	-1	-7	-59
2 Year Swap %				
US	0.25	-1	+1	-141
Eurozone	-0.32	+0	-4	-2
UK	0.24	-1	-8	-56
10 Year Government Bond Spreads to Benchmark bps				
Ireland	42	-3	-17	+12
Belgium	37	-3	-15	+9
France	38	-2	-7	+7
Italy	179	-6	-32	+18
Spain	97	-4	-21	+31
Portugal	97	-3	-27	+34
Greece	157	-7	-76	-7

Commodities				
	% Change			
	Close	Day	4 Weeks	End 19
Brent Oil	40.96	+3.12	+18.21	-37.94
West Texas Oil	38.26	+3.21	+18.45	-37.42
Gold \$	1727.0	+0.14	-0.97	+13.84

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